

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

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TO: JIM EVANS, HOUSING AND COMMUNITY DEVELOPMENT  
AGENCY DIRECTOR

FROM: MARGIE WILLIAMS, CLERK OF THE BOARD *mw*

RE: ADVERTISING FUND/COMMUNITY TRUST

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THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,  
ADOPTED THIS Order on May 28, 1991

ACTION AND VOTE:

2:54 p.m. Continued Discussion Regarding the Creation and Use of an Advertising Fund for the County of Mariposa and Proposed Community Trust (Continued from May 14, 1991) (Administrative Officer)

BOARD ACTION: Barry Brouillette provided input. Following discussion, (M)Baggett, (S)Erickson, Board directed that: 1) its intent is for 1.5% of the 9% transient occupancy tax to be budgeted in an "advertising fund"; 2) the five areas of expenditures (community and cultural resources, Chamber/Lodging Council, transit/parking, child care, and housing and community development) be funded as recommended; 3) \$78,000 be rolled-over in the next budget year for community and cultural resources; and 4) any funds not used for transit/parking this next fiscal year could be used for parking lot acquisition and improvements/Ayes: Baggett, Punte, Erickson, Radanovich; Noes: Taber. (M)Baggett, (S)Punte, Res. 91-234 adopted establishing an Advisory Committee relative to use of the advertising fund, to be comprised of five at-large members (with one appointed by each Board member) from the County; one member to be nominated by the Lodging Council; one at-large member; one member to be nominated by the Arts Council and Yosemite Renaissance; and one member to be nominated by the Chamber of Commerce/Ayes: Unanimous. (M)Baggett, (S)Erickson,

Chamber of Commerce to be guaranteed .25% of 1% of the transient occupancy tax, to increase proportionately with the budget each year/Ayes: Baggett, Punte, Erickson, Radanovich; Abstained: Taber.

cc: John McCamman, Administrative Officer  
Evelyn Billings, Auditor  
Larry Pollard, Public Works Director  
Bill L'Heureux, Human Services Director  
Jeff Green, County Counsel  
Tony Lashbrook, Planning Director  
Chamber of Commerce/Lodging Council  
File

DEPARTMENT: Administration BY: John W. McCamman PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes\_\_\_ No\_x\_)  
Continued discussion regarding the creation and use of an advertising fund for the County of Mariposa.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board of Supervisors has had several discussions on May 14 and April 2 concerning the development of a "Community Trust Fund." The attached report develops some of these issues for Board direction.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

No action required. Report is to provide a basis for discussion.

COSTS: (x) Not Applicable  
A. Budgeted current FY \$ \_\_\_\_\_  
B. Total anticipated costs \$ \_\_\_\_\_  
C. Required Add'l funding \$ \_\_\_\_\_  
D. Source: \_\_\_\_\_

SPECIAL INSTRUCTIONS:  
List the attachments and number the pages consecutively:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SOURCE: ( ) 4/5ths Vote Required  
A. Internal transfers \$ \_\_\_\_\_  
B. Unanticipated revenues \$ \_\_\_\_\_  
C. Reserve for contingency \$ \_\_\_\_\_  
D. Description: \_\_\_\_\_  
Balance in Reserve for Contingencies, if approved: \$ \_\_\_\_\_

CLERK'S USE ONLY:

Res. No.: \_\_\_\_\_  
Ord. No.: \_\_\_\_\_  
Vote - Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_  
Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
( ) Approved ( ) Denied  
(x) Minute Order Attached

The foregoing instrument is a correct copy of the original on file in this office.

Date: \_\_\_\_\_  
ATTEST: MARGIE WILLIAMS  
Clerk of the Board of Supervisors  
County of Mariposa, State of CA  
By: \_\_\_\_\_  
Deputy

ADMINISTRATIVE OFFICER'S  
RECOMMENDATION:

This item on agenda as:  
 Recommended  
 Not Recommended  
 For Policy Determination  
 Submitted with Comment  
 Returned for Further Action

Comment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
A.O. Initials: \_\_\_\_\_

STAFF REPORT  
DEVELOPMENT OF "COMMUNITY TRUST FUND"

The Board of Supervisors has previously determined to set aside 1.5% of the 9% transient occupancy tax (T.O.T.) in a special fund (referred to as a "Community Trust") for community development activities in the broadest sense. For the 1991-92 fiscal year, an estimated \$3.9 million will be developed by the 9% tax. That results in a \$650,000 income for this separate "Community Trust." The notion of a community trust is allowable pursuant to Section 26100 of the Government Code, which provides that the Board of Supervisors may establish an advertising fund in the County. The advertising fund may be used in very general ways as outlined in the code including advertising, promotion, cultural resources, exhibits or tourism support efforts. Virtually any promotional or community development effort of the County, very broadly defined, may be conducted through the advertising fund.

Within the advertising fund, there seems to be a developing consensus about establishing five different areas of expenditure for advertising dollars. These are:

- |                                    |           |
|------------------------------------|-----------|
| 1. Community & Cultural Resources: | \$200,000 |
| 2. Chamber/Lodging Council:        | \$175,000 |
| 3. Transit/Parking:                | \$200,000 |
| 4. Child Care                      | \$ 50,000 |
| 5. Housing & Community Development | \$ 25,000 |

There is seemingly some internal disagreement as to how to administer the fund once it is established, and secondly, as to what each of these items means.

The intent of this staff report is to provide a basis for discussion for the Board of Supervisors regarding these two issues.

1. How should the fund be administered:

The Code (Section 26100 Government Code) provides that the Board "may appropriate for the purpose of this chapter any monies accruing to the General Fund derived pursuant to [Transient Occupancy Tax]."

From this section and by common practice, this implies that the income must come through the General Fund and then may be appropriated, as a budgetary action of the Board of Supervisors, to the advertising fund for disposition consistent with the law. This income is General Fund income in the same way that property tax is General Fund income and must be treated with the same fiduciary responsibility as other governmental funds.

The Board has discussed at considerable length the possibility of having a separate board, having the Board plus community members, or utilizing other organizations for making determinations about the use of the funds. It is difficult for the Board to delegate its fiduciary responsibility to make decisions about the use of these funds; the Board must retain ultimate responsibility for any allocations made through the advertising fund. For this reason, staff would recommend that no separate board be established with expenditure control over these monies.

In lieu of this separate board, the Board of Supervisors may determine to develop an advisory committee or commission, through ordinance or resolution, whose task will be to develop more refined policies concerning each of the priority areas as identified by the Board; to recommend the disposition of funds within those policies; and to conduct other business consistent with the intent of the community development activity represented by the fund.

#### Non-Profit Organization

Another issue which has been repeatedly brought up is the requirement for a non-profit corporation. The non-profit corporation is identified as of potential value to the County in that the non-profit may be eligible to obtain foundation, grant and private funds which are not available to County government. Rather than establish a non-profit organization to which you funnel advertising funds of the government, staff recommends that you establish a non-profit corporation through which to funnel foundation, grant and private funds back into the advertising fund, or in concert with the advertising fund. The board of directors of the non-profit organization may be the advisory group that you establish to advise you relative to the use of the advertising fund. The resolution of the details of the charter of the non-profit organization should be left to the advisory group to make recommendations to the board.

#### 2. Policy Options

The Board of Supervisors in establishing an advertising fund should establish simultaneously a broad policy concerning how they intend for those funds to be used. The advisory group which you may determine to establish would then refine

those policies and bring back for Board approval a detailed policy on the use of the funds, containing application mechanisms, review criteria, etc. for use of the funds. The following broad policy statements are recommended for adoption with the establishment of the advertising fund.

a. Community & Cultural Resources \$200,000

Issues which have been identified as community and cultural resources have included Arts Council, Yosemite Renaissance, Fair Parade, Mineral Museum, History Center and related expenses. The Board of Supervisors has in the past allocated approximately \$78,000 to these activities through a variety of mechanisms.

Other cultural projects which are new to this effort include support for park improvements, parking lot improvements, and the Mariposa Creek Project. Insofar as the Courthouse is preserved as a cultural resource, these funds may also be used to finance a County government center.

**Issue:** During the discussion of the passage of the 2% increase in T.O.T., there was unclear direction to staff relative to the Board's intent about these various functions. Some members of the audience believed that the 1-1/2% set aside in support of the industry, in "Community Trust", would not include ongoing activities paid for through the Economic Development and Tourism budget of the County. Upon reviewing the record, staff has concluded that the Board's intent was to include these efforts. Therefore, this recommended policy includes a recommendation to clarify that determination and show these ongoing economic development activities as "community trust" (advertising fund) efforts.

b. Chamber/Lodging Council \$175,000

The Board of Supervisors has entered into an aggressive and award winning relationship with its Chamber of Commerce in promotions of the community. The mechanism identified in this fund for continuing that activity is to establish a set proportion of the total funds (25%) for the Chamber and Lodging Council. In this manner, the Chamber as an organization may plan multiyear efforts in promoting the County. Rather than by application, these funds would be utilized through a contract, negotiated each year based upon a performance criteria meeting the expectations of the Board and the Chamber. This would clearly be a County-wide effort and only a single Chamber and Lodging Council would be eligible for these funds. The contract negotiation process should be a function of the Housing & Community Development agency.

c. Transit/Parking

\$200,000

All of those involved in the development of this fund and in the tourist and lodging industry have indicated serious concern regarding the long term need to develop a transit system within the County. This funding is established at \$200,000 to begin the process of establishing a transit and parking system. This, however, is obviously not adequate funding to operate a transit system in a rural county such as Mariposa.

The Board of Supervisors has previously authorized an evaluation of our existing transit services. One of the conclusions that may be arrived at as a result of that analysis is to point out a need for a comprehensive review of transit needs, not existing transit services, in the community. These transit needs are much greater than current services and are much more complex and dynamic than County government can reasonably evaluate. Not only do the transit needs that have been identified include visitor transportation, resident transportation, employee transportation and social service related transit activities, but the participants in a true regional transit system include Tuolumne County, Mariposa County, Merced County, Madera County, Yosemite National Park and the concessionaire.

The Board of Supervisors has previously allocated \$5,000 from this fund (Resolution No. 90- ) to begin this evaluation process. These funds have been utilized to establish a scope of work for a comprehensive transit evaluation. The scope of work is currently under development.

Until that scope of work has been completed and the project either negotiated or bid, staff is uncertain how much to set aside specifically for the transit review process. However, any fund balance left in the transit and parking section after the 1991-92 fiscal year can be rolled over into the transit system implementation on an ongoing basis. In addition, other potential sources of funding have been discussed relative to the transit issue, which may help to finance a comprehensive look at the transit needs of the community. Based upon Board direction, staff recommends that the transit issue be brought back by the Public Works Director during final budget hearings for allocation of appropriate resources. Residual resources will be programmed either as part of the implementation phase of a transit system or in addressing specific parking needs the Board may identify.

d. Child Care

\$ 50,000

The Board of Supervisors has received a petition (attached) indicating that a certain group within the community believes that child care needs are an appropriate use of this funding source. However, child care is not a traditional County level governmental concern, though it has connections to the Federal government for funds (Head Start) and State government for licensing. Based upon the above, the recommended broad policy directions for these funds should include:

i. County government will not become an operator of child care facilities or programs;

ii. Through these funds, the Board of Supervisors may make available grants to appropriate private, non-profit, business or school based child care facilities. These funds shall not be used to provide the basic operations of a child care center. No individual operator (without a Board of Directors) shall be eligible for assistance with these funds.

iii. These funds may be used for startup monies, acquisition of assets to operate the child care center, capital improvements in order to bring the center up to code, and related uses.

iv. Licensing requirements, including training costs and physical facility modifications, and applications for separate funding will be eligible for funding.

An application process and detailed outlines of limitations on the use of these funds should be developed by the advisory committee to be established by the Board.

e. Housing

\$ 25,000

The Board of Supervisors has recognized that along with a need for transit to support a tourist economy, housing is an essential component of the community. Due to this recognition, the Board may determine to set aside this \$25,000 as an annual contribution to the Housing Authority of the County of Mariposa. The Housing Authority Director will be responsible to the Board to assure that these funds are used to assist in the community development effort through housing activities in support of our visitor economy.

A plan should be developed by the Housing Authority Director and presented for approval by the Board of Supervisors outlining appropriate use for these funds. This program should be brought back to the Board through the advisory group the Board may determine to establish.



### Make Up of Advisory Board

If the direction recommended in this report is acceptable to the Board of Supervisors, some discussion should occur regarding the make up of the committee. Numerous options are available, but the following issues should be considered by the Board in developing the group:

1. Representation should be County-wide, as the funds are a County-wide resource. A typical way of addressing this is by having one representative from each Supervisorial District.
2. The tourist industry should be represented. The intent of these funds is at least in part to ensure a stable tourist economy long into the future. The tourist industry is certainly interested (and knowledgeable) concerning this issue. That resource should be a part of the advisory group.
3. Membership should be limited to nine members. Larger groups get unwieldy for purposes of maintaining the educational component of participation in such a group.
4. Staff services should be provided by the Housing and Community Development Director as a regular job assignment. This ensures the linkage between the County government effort and the community and industry effort in this area.

### **CONCLUSION**

By establishing an advisory group and further refining the policies being developed for use of the funds, the Board of Supervisors has provided an organization to accomplish its goal of enhancing the community with the Transient Occupancy Tax funding, while at the same time maintaining its fiduciary obligation in the use of public funds.

For this reason, short of placing the funds into the General Fund of the County, this is the recommended disposition of these funds.